

Greater Denton Arts Council

Bylaws

Article I

Name

The name of this not for profit corporation as provided by its Articles of Incorporation, shall be the Greater Denton Arts Council, Inc. (hereinafter referred to as “the Arts Council”).

Article II

Purpose

The Arts Council is organized and operated exclusively for charitable and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, and its Regulations, rulings or procedures, as it may now exist or as it may hereafter be amended (the “Code”), and also for the purpose of making distributions to organizations that qualify as exempt organizations under Section 501(c)(3) of the Code. Specifically, the Arts Council is organized to:

1. Support, promote and encourage all of the Arts including, but not limited to, music, poetry, theatre and drama, dance, painting, sculpture, literature, visual art, landscaping, architecture, and horticulture;
2. Stimulate and raise public interest, support, appreciation, and quality of all arts and arts programs available to the public in the greater Denton area;
3. Make the Arts more accessible to all persons in the greater Denton area;
4. Support the Arts by serving as a liaison between community, business, educational, and governmental entities to develop and implement art-related purposes in the greater Denton area;
5. Promote and foster collaborative relationships between organizations, provided that such organizations shall have qualified as “exempt organizations” under Section 501(c)(3) Code.
6. Be a resource for leadership, coordination, funding, and education for area arts and cultural organizations; and
7. Own, operate and maintain offices and facilities in the greater Denton area.

Article III Definitions

Unless the context clearly requires otherwise, in these Bylaws:

1. "Articles of Incorporation" means the Articles of Incorporation of the Arts Council as filed with the Secretary of State of the State of Texas and includes all amendments thereto subsequently filed.
2. "Board" means the Board of Directors of the Arts Council.
3. "Executive Committee" means the Officers of the Arts Council as defined in Article VIII hereof.
4. "Bylaws" means these bylaws as adopted by the Board and includes amendments subsequently adopted by the Board.
5. "Members" means the members of the Arts Council as determined pursuant to these bylaws.

Article IV Members

Section 1 – Categories of Membership

Categories of membership in the Arts Council shall be:

1. **General Members.** General membership shall include individual, family, and business.
2. **Organizational Members.** Those not-for-profit organizations that are interested in the Arts Council shall be eligible for an organizational membership but shall not have voting privileges.
3. **Other Members.** Other member groups or classifications as may be established by the Board from time to time.
4. Membership shall not be assignable by a member, nor shall membership pass to any personal representative, heir, or devisee. Membership of any member shall cease on his or her death.

Section 2 – Levels of Membership

1. The Board shall, from time to time, establish the levels of membership and corresponding monetary amounts within each category.
2. Members shall be required to pay dues by January 31 of each year and/or meet attendance or participation requirements to remain in good standing.

Section 3 – Voting and Privileges

General members shall have one vote. Organizational members are non-voting.

Section 4 – Removal of Members

A majority of the Board may remove any member at any time with or without cause.

Section 5 – Membership Year

The membership year shall be January 1 through December 31 of each year. Non-renewing members will automatically be deleted from membership rolls by January 31.

Article V Meetings

Section 1 – Annual General Membership Meeting

The full membership of the Arts Council shall meet at least once each year. The time and place of each meeting shall be designated by the Board. The election of members to the Board shall take place at this Annual General Membership Meeting. The Executive Committee of the Board shall set the agenda.

Section 2 – Notices and Quorum

Notice of the date, time and place of each general meeting shall be given to the membership at least 10 days in advance of such meeting. Members present and eligible to vote at any meeting shall be deemed to constitute a quorum for the transaction of business. The action of the majority of members present and eligible to vote shall be deemed to be the action of the Arts Council.

Section 3 – Special Meetings

Special meetings of the members may be called by the President, three members of the Board, or on petition of at least twenty (20) members having voting rights. In addition to the date, time and place of the meeting, the purpose or purposes of the meeting shall be stated in the notice. Notice shall be given at least 10 days in advance of such meeting.

Article VI Board of Directors

Section 1 – Number and Composition

The Board of the Arts Council shall be comprised of the following:

1. There shall be 25 elected Directors on the Board.
2. Two (2) designated voting Directors as stipulated:
 - The President of the Arts Guild or that person's designate.
 - The Immediate Past President of the Arts Council, if his/her term has expired.

3. The Executive Director.

Section 2 – Election of Directors

Directors other than the designated Directors shall be elected by a majority of the members of the Arts Council present and voting at the Annual Membership Meeting.

Section 3 – Length of Elected Directors' terms

Directors' terms of office shall be three (3) years in length. Terms shall be staggered so that a third of Directors are elected annually. Directors are limited to two (2) consecutive full terms plus any partial term served immediately prior to these. Individuals are eligible for additional board membership after being off the Board for at least one (1) year.

Section 4 – Responsibilities and Powers

1. Directors have the responsibility for the governance and management of the affairs of the Arts Council.
2. Directors shall take all steps necessary to achieve the purposes in Article II.
3. The Board shall have the power to acquire by purchase, gift or otherwise, real and personal property of every kind, and to hold, use, or dispose of same in the name of the Arts Council for the purpose of achieving any of the purposes of the Arts Council.
4. All Board members shall maintain membership in the Arts Council, attend meetings, serve on committees and advance the purposes and goals of the Arts Council.

Section 5 – Compensation of Directors

No Director shall be entitled to or shall receive any profit or compensation from the Arts Council by reason of membership thereof; however, this provision shall not apply to reimbursement for necessary expenses incurred on behalf of the Arts Council.

Section 6 – Board of Directors Meetings

Directors shall hold regular meetings at least ten times a year, at a specified time. At least three (3) days' advance notice, including an agenda, must be given for regular meetings. Emergency meetings may be called by the Executive Committee at any time, following the same procedure but without the three-day notice. A majority of the Board shall constitute a quorum for the transaction of business at any meeting.

Section 7 – Removal of Directors

Any Director may be removed by the Board at any time, with or without cause, by a majority vote of the Board. A Director shall automatically cease to serve as a member of the Board if said Director has three consecutive unexcused absences or four unexcused absences from regular monthly meetings in a fiscal year.

Article VII Officers

Section 1 – Titles and Terms of Office

The Officers of the Arts Council shall be a President, a Vice-President for Finance, a Vice-President for Membership, a Vice-President for Exhibitions and Education, a Secretary, a Treasurer, and the Immediate Past President. The terms of office shall be one year, beginning with the fiscal year July 1. Elected Officers may serve no more than two (2) consecutive terms in the same office, with exception of the Immediate Past President, who will serve for one year immediately following his or her term as President.

Section 2 – Election of Officers

The Officers of the Arts Council shall be Directors elected annually by the Board by majority vote at the next scheduled meeting prior to the Annual General Membership Meeting.

Section 3 – Vacancies

A vacancy in any office shall be filled by the Board for the remaining portion of the term.

Section 4 – President

The President shall have the power and the duty to carry out the directives and resolutions of the Arts Council and of the Board; shall be in general charge of the properties and affairs of the Arts Council in the ordinary course of its activities; shall preside at all meetings of the Arts Council, Board and the Executive Committee; shall have check signing authority; shall sign and execute all other bonds, deeds, conveyances, assignments, mortgages, notes, contracts, and other obligations in the name of the Arts Council; and shall be a non-voting ex officio member of all committees unless specified otherwise in these Bylaws.

Section 5 – Vice-President for Finance

The Vice-President for Finance shall chair the Finance Committee; shall have such powers or duties as may be assigned by the President or the Board and shall, in the absence of the President, preside as President. The Vice-President for Finance has the responsibility to develop, implement, and maintain fundraising initiatives and strategies, and provide Board leadership for cultivating and recognizing major donors.

Section 6 – Vice-President for Membership

The Vice-President for Membership shall chair the Membership Committee and have such powers or duties as may be assigned by the President or the Board and shall, in the absence of the President and the Vice-President for Finance, preside as President. The Vice-President for Membership has responsibility for planning and arranging the annual membership campaign and the Annual General Membership Meeting.

Section 7 – Vice-President for Exhibitions and Education

The Vice-President for Exhibitions and Education shall chair the Exhibitions and Education Committee; shall have such powers and responsibilities as may be assigned by the President or by the Board, and, in the absence of the President, Vice-President for Finance, and Vice-President for Membership, preside as

President. The Vice-President for Exhibitions and Education has general responsibility for reviewing and evaluating the goals of the Arts Council's exhibitions and education programs.

Section 8 – Secretary

The Secretary shall record the minutes of all meetings of the Arts Council and of the Board; shall give and send all meeting notices; shall have check signing authority and shall have such other powers or duties as may be assigned by the President or the Board.

Section 9 – Treasurer

The Treasurer shall keep full and accurate accounts of all money received and paid out on account of the Arts Council; shall have check signing authority; shall serve on the Finance Committee; shall submit all records to be audited within 90 (ninety) days of the close of the fiscal year, and shall submit to the Board an unqualified statement, signed by an outside CPA, of all assets, liabilities, capital, income, and expense accounts, and shall give bond for the faithful discharge of these duties as required by the Board. All records shall be open to inspection by the public during normal business hours.

Section 10 – Immediate Past President

The Immediate Past President serves as advisor to the President, Executive Committee and the Board. This office is limited to a one-year term.

Section 11 – Executive Director

The Executive Director is the Chief Operating Officer of the Arts Council responsible for implementing the purposes and goals of the Arts Council and directives of the Board; has day-to-day responsibility for the administration of the Arts Council's business, facilities and programs, and is the Arts Council's public relations ambassador. As directed by the Board, develops and administers the annual budget; has check signing authority; supervises the Arts Council's staff, is accountable to the Board, which formulates and periodically reviews duties and responsibilities; is an ex officio non-voting member of the Board and all Arts Council committees, and serves as a co-signature on all financial documents. The Executive Director is responsible for all staffing decisions necessary for the operation of the Arts Council, which includes all hiring, termination, promotion, and disciplinary decisions.

Section 12 – Removal of Officers

Any Officer may be removed by the Board at any time, with or without cause.

Article VIII Committees

There shall be the following standing Committees of the Arts Council: Executive, Finance, Membership, Exhibitions and Education, Nominating, Grants, Community Arts Recognition Award (CARA), and Endowment. Except as designated below, members and chairs of committees are appointed by the President and may include non-board members.

Section 1 – Executive Committee

The Executive Committee shall be composed of all Officers of the Arts Council. It shall have the duty and powers to assist the President in the performance of presidential duties and to set the agenda for meetings of the Arts Council and the Board. The Executive Committee has oversight for programs and their development. It shall also conduct an annual performance review of the Executive Director. The President shall chair the Executive Committee.

Section 2 – Finance Committee

The Finance Committee shall consist of at least five (5) members. It shall have the responsibility to plan and carry out fund raising initiatives, and shall oversee acquisition and operation of facilities. It also cultivates and recognizes major donors. It is chaired by the Vice-President for Finance.

Section 3 – Membership Committee

The Membership Committee shall consist of at least five (5) members. It shall have the responsibility to plan and conduct the annual membership drive and coordinate the Annual Membership Meeting. It is chaired by the Vice-President for Membership.

Section 4 – Exhibitions and Education Committee

The Exhibitions and Education Committee shall consist of at least five (5) members. It reviews, recommends, organizes, and has general charge of exhibition-related events such as opening receptions and educational programs. It is chaired by the Vice-President for Exhibitions and Education.

Section 5 – Nominating Committee

The Nominating Committee shall consist of five (5) Board members, two (2) of whom are the President and the Vice-President for Finance. The Nominating Committee shall nominate at least one person for each eligible position to the Board for acceptance. The Nominating Committee will place in written notice to the voting members the names of nominees not less than ten (10) days before the dates of the Annual General Membership Meeting. The Committee will meet to nominate candidates for Directors whose positions become vacant during the year in order to fill unfinished terms. The Nominating Committee shall also present a slate of officers for approval to the next meeting of the Board following the Annual General Membership Meeting.

Section 6 – Grants Review Committee

The Grants Review Committee shall consist of three (3) members of the Board, two (2) members of The Arts Guild appointed by the President of the Arts Guild, and one (1) representatives from the community at large. It shall have the duty and powers to review grant requests and to forward its recommendations to the Board for final decision.

Section 7 – CARA Committee

The CARA Committee shall consist of four members, of whom two shall be members of the Board and two shall be from the community at large. Names of the CARA Committee are not revealed.

Section 8 - Endowment Committee

The Endowment Committee shall consist of five members: the Vice-President for Finance, who shall be chairman, at least two members of the Board, and no more than two non-Board members who shall be selected from the community at large. Members are appointed annually by the President (with approval of the Board) and may serve up to three (3) consecutive one-year terms.

The charge of the committee is to provide leadership to the Board on matters pertaining to the acquisition and management of assets for an endowment until such a time that the fund reaches \$100,000. At that time, the Board shall establish, within a reasonable time, a separate 501(c)(3) corporation and all Arts Council assets designated or restricted for endowment use shall be transferred (for that purpose) to the aforementioned new corporation. Said corporation will be established according to Bylaws and policies formulated by the Board and approved by the voting membership.

Standing Committee Status:

The Endowment Committee shall be a standing committee of the Arts Council until the formation of said corporation. Upon incorporation of that entity, the Committee shall lose its standing status.

Section 9 – Personnel Committee

The Executive Committee shall serve as the Personnel Committee for the purpose of hearing and advising the Executive Director on any matters of human resource/personnel nature.

Section 10 – Museum of Texas Art and Culture

The Museum of Texas Art and Culture (MTAC) is a committee for the purpose of preserving and celebrating the art and culture of Early Texas. MTAC uses the Arts Council Federal Employer Identification Number (EIN) and is included in the financial audits of the Arts Council.

Section 11 – Other Committees

Such other committees, standing or special, shall be appointed by the President as the Board shall from time to time deem necessary to carry on the work of the Arts Council.

Article IX The Arts Guild of Denton

The Arts Guild of Denton (TAG) is the fund raising support organization for the Arts Council. TAG maintains its own membership and governing structure and has the authority to administer its budget according to its policies. TAG is legally a part of the Arts Council and is therefore bound to the organizational mission and all legal obligations set forth in these Bylaws as well as any applicable governmental statutes regulating tax-exempt corporations. TAG uses the Arts Council Federal Employer Identification Number (EIN) and is included in the financial audits of the Arts Council.

**Article X
Non-Discrimination**

Neither the Arts Council, its Board, employees or authorized representatives shall engage in any conduct related directly or indirectly to the business of the Arts Council which adversely affects an individual or group of individuals on the basis of race, color, disability, religion, sex, national origin or age.

**Article XI
Indemnification**

Section 1 – Mandatory Indemnification

The Arts Council shall indemnify a Governing Person (which is defined as a Director, Officer, employee or agent), former Governing Person, or delegate of the Arts Council against reasonable expenses actually incurred by the person in connection with a proceeding in which the person is a respondent because the person is or was a Governing Person or delegate if the person is wholly successful, on the merits or otherwise, in the defense of the proceeding.

Section 2 – Permissive Indemnification

Except as otherwise prohibited by law, these Bylaws or the Articles of Incorporation, the Arts Council may indemnify a Governing Person, former Governing Person, or delegate of the Arts Council who was, is, or is threatened to be made a defendant or respondent in any proceeding if it is determined that (i) the person acted in good faith, (ii) the person reasonably believed that his or her conduct was in the Arts Council's best interests, and in the case of criminal proceedings, that he or she did not have reasonable cause to believe his or her conduct was unlawful, (iii) the amount of expenses is reasonable, and (iv) indemnification should be paid. The Arts Council will not pay for the legal defense of anyone who is found guilty of any criminal violations.

The Arts Council will not indemnify a person who is found liable to the Arts Council or is found liable to another on the basis of improperly receiving a personal benefit from the Arts Council. A person is conclusively considered to have been found liable in relation to any claim, issue, or matter if the person has been adjudged liable by a court of competent jurisdiction and all appeals have been exhausted. Termination of a proceeding by judgment, order, settlement, conviction, or on a plea of nolo contendere or its equivalent does not necessarily preclude indemnification by the Arts Council.

Section 3 – Determination of Permissive Indemnification

Before the Arts Council shall be obligated to pay any permissive indemnification expenses (including attorneys' fees), the Arts Council must specifically determine that indemnification is permissible, authorize indemnification, and determine that expenses to be reimbursed are reasonable, except as provided in subparagraph (c) below. The Arts Council may make these determinations and decisions by any one of the following procedures:

- (a) Majority vote of the Directors who, at the time of the vote, are disinterested and independent, regardless of whether they constitute a quorum.
- (b) Majority vote of a Committee of the Board, designated to act in the matter by a majority

vote of all disinterested and independent Directors, consisting solely of two or more Directors who at the time of the vote are not named defendants or respondents in the proceeding.

(c) Determination by special legal counsel selected by the Board by the same vote as provided in subparagraphs (a) or (b) above.

The Arts Council will authorize the indemnification and determine that expenses to be reimbursed are reasonable in the same manner that it determines whether indemnification is permissible. If special legal counsel determines that indemnification is permissible, authorization of indemnification and determination of reasonableness of expenses will be made as specified by subparagraph (c) above governing selection of special legal counsel.

Section 4 – Advancement of Expenses

The Arts Council may reimburse or advance reasonable expenses before final disposition of a proceeding only after the Arts Council receives (i) a written affirmation by the person of his or her good faith belief that he or she has met the standard of conduct necessary for indemnification, and (ii) a written undertaking by or on behalf of the person to repay the amount paid or reimbursed if the final determination is that he or she has not met that standard or that indemnification is prohibited by law, these Bylaws or the Articles of Incorporation. Authorization of payment will be made in the same manner as a determination that indemnification is permissible under Section 3 above.

Section 5 – Mandatory Reimbursement

The Arts Council shall pay or reimburse expenses incurred by a Governing Person of the Arts Council in connection with the person's appearance as a witness or other participation in a proceeding involving or affecting the Arts Council when the person is not a named defendant or respondent in the proceeding.

Article XII Conflict of Interest

Section 1 - Purpose

The purpose of this conflict of interest policy is to protect the Art Council's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an Officer or Director of the Arts Council or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

Section 2 - Definitions

(a) Interested Person - any Director, principal Officer, or member of a Committee with governing board-delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

(b) Financial Interest - A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- i. An ownership or investment interest in any entity with which the Arts Council

has a transaction or arrangement,

ii. A compensation arrangement with the Arts Council or with any entity or individual with which the Arts Council has a transaction or arrangement, or

iii. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Arts Council is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under Section 3(b), a person who has a financial interest may have a conflict of interest only if the Board decides that a conflict of interest exists.

Section 3 - Procedures

(a) **Duty to Disclose** - In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the Board of Directors which shall consider the proposed transaction or arrangement.

(b) **Determining Whether a Conflict of Interest Exists** - After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he or she shall leave the Board of Directors while the determination of a conflict of interest is discussed and voted upon. The Board of Directors shall decide if a conflict of interest exists.

(c) **Procedures for Addressing the Conflict of Interest**

i. An interested person may make a presentation to the Board of Directors, but after the presentation, he or she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

ii. The President of the Board of Directors shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

iii. After exercising due diligence, the Board of Directors shall determine whether the Arts Council can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

iv. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board of Directors shall determine by a majority vote of the disinterested Directors whether the transaction or arrangement is in the Arts Council's best interest, for its own behalf, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

(d) **Violations of the Conflict of Interest Policy**

i. If the Board of Directors has reasonable cause to believe an interested person has failed to disclose an actual or possible conflict of interest, it shall inform the person of the basis for such belief and afford him or her an opportunity to explain the alleged failure to disclose.

ii. If, after hearing the interested person's response and after making further investigation as warranted by the circumstances, the Board of Directors determines the person has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Section 4 - Records of Proceedings - The minutes of the Board of Directors shall contain:

(a) The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing Board's or Committee's decision as to whether a conflict of interest in fact existed.

(b) The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

Section 5 - Compensation

(a) A voting member of the Board of Directors who receives compensation, directly or indirectly, from the Arts Council for services is precluded from voting on matters pertaining to that member's compensation.

(b) A voting member of any Committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Arts Council for services is precluded from voting on matters pertaining to that member's compensation.

(c) No voting member of the Board of Directors or any Committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Arts Council, either individually or collectively, is prohibited from providing information to any Committee regarding compensation.

Section 6 - Annual Statements

Each Director, principal Officer and member of a Committee with governing Board-delegated powers shall annually sign a statement which affirms such person:

(a) Has received a copy of the conflict of interest policy,

(b) Has read and understands the policy,

(c) Has agreed to comply with the policy, and

(d) Understands the Arts Council is charitable and in order to maintain its federal tax

exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Section 7 - Periodic Reviews

To ensure the Arts Council operates in a manner consistent with its charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- (a) Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
- (b) Whether partnerships, joint ventures, and arrangements with management organizations conform to the Art Council's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

Section 8 - Use of Outside Experts

When conducting the periodic reviews as provided for in Section 7 above, the Arts Council may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Board of Directors of its responsibility for ensuring periodic reviews are conducted.

Article XIII Dissolution

Upon the dissolution of the Arts Council, the Board shall, after paying or making provision for the payment of all the liabilities of the Arts Council, dispose of all of the assets of the corporation exclusively for the charitable purpose of the Arts Council, in such a manner, or to such organization or organizations organized and operated exclusively for such educational purpose or purposes, as shall at the time qualify as an exempt organization or organizations under Section 501(c)(3) of the Code as the Board shall determine; and any of such assets not so disposed of shall be disposed of by a District Court of the County in which the principal office of the Arts Council is then located, exclusively for such former purposes of the Arts Council.

Article XIV Parliamentary Authority

The rules contained in the current edition of *Robert's Rules of Order Newly Revised* shall govern the Arts Council in all cases to which they are applicable and in which they are not inconsistent with these Bylaws and any special rules of order the Arts Council may adopt.

Article XV

Amendments

The Bylaws of the Arts Council may be amended or revised by the affirmative vote of at least two-thirds of the members of the Board of Directors.

Adopted-- July 13, 2006
Revised—October 18, 2007
Revised –April 26,2011